EXHIBIT 9-D AADPL CALCULATIONS INCLUDING UDBEs

AADPL Calculations Including UDBEs

Definitions:

- <u>DBE</u> – Disadvantaged Business Enterprise. A for-profit "small business concern" that is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals. One or more such individual must also control the management and daily business operations. This individual who is a citizen (or lawfully admitted permanent residents) of the United States and who is: (1) an individual whom a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis, (2) any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged: African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans (persons whose origin are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal or Sri Lanka), Women, or any other group found to be socially and economically disadvantaged by the U.S. Small Business Administration. (See 49 CFR, Part 26.)

- <u>UDBE</u> – Underutilized DBE. DBE classes that have been determined in the 2007 Caltrans Disparity Study to have a statistically significant disparity in their utilization in previously awarded transportation contracts. UDBEs include: African Americans, Native Americans, Asian-Pacific Americans, and Women.

- <u>Non-UDBE</u> – The two DBE classes (Hispanic American and Subcontinent Asian American) that have been determined in the 2007 Caltrans Disparity Study to <u>not</u> have a statistically significant disparity in their utilization in previously awarded transportation contracts.

- <u>AADPL</u> – Annual Anticipated DBE Participation Level. This is the overall Local Agency goal based on demonstrated evidence of the availability of DBEs relative to all businesses that are ready, willing and able to participate on federally funded contracts.

- <u>RC AADPL</u> – Race Conscious portion of AADPL.

- <u>RN AADPL</u> – Race Neutral portion of AADPL.

- <u>Market Area</u> – Counties in the agency's geographic area where contractors have historically bid on similar contracts.

Introduction:

Agencies shall use Exhibit 9-B from the *Local Assistance Procedures Manual* (LAPM) to report the Annual Anticipated DBE Percentage Level (AADPL) and methodology to Caltrans. The Race Conscious portion of the AADPL is the portion the agency believes it will <u>not</u> be able to meet using Race Neutral means alone. In the absence of information relating to an agency's ability to meet the Race Neutral portion, the Race Conscious portion should be the same as the entire AADPL, and the Race Neutral portion should be zero. As always, individual contract goals should be adjusted throughout the year as the agency progress in attaining DBE participation is assessed.

There are several ways to calculate an AADPL. A method other than what is shown below may be used, as approved by the District DBE Coordinator. One such alternate method is the use of a current bidders list.

**Important Note: While the determination of an AADPL utilizes the same calculation as before (during the Race Neutral mode), the Race Conscious/Race Neutral breakdown should always include consideration of not only the availability of UDBEs (Race Conscious), but also the specific non-UDBEs and the likelihood that they will be used on these contracts. If the likelihood is high that these non-UDBEs would not be used on the contracts, they should be removed from consideration. This would result in a higher RC AADPL and a lower RN AADPL. Periodically throughout the contracting year, these methods and assumptions should be revisited to more accurately tailor future contract goals.

AADPL Calculation:

First, determine the projects that the agency anticipates awarding in the upcoming Federal Fiscal Year (FFY). List these projects, including both construction and consultant contracts. Next, determine the various work types and amounts of work that will be involved, using the work categories and codes that can be found on the California Unified Certification Program (CUCP) Web site, as explained below. For each Work Category, calculate the percentage (Weight) of the total contract work to be performed.

To determine the number of DBE firms (for the *numerator* in the calculation):

1. For each NAICS Work Category, determine total number of DBEs in the agency's Market Area that can perform that type of work. To do this, use the CUCP web site, which can be accessed by going to: http://www.dot.ca.gov/hq/bep/dbe_query.htm and click on the "Click here to Access the DBE Query Form" link.

2. On the resulting page, go to the "County" box and highlight all the counties in the agency's Market Area. The control key can be used to highlight more than one county at a time.

3. Click on the appropriate 2-digit code in the "NAICS Categories" box. This will automatically bring up the more detailed 6-digit NAICS Work Category codes in a new box. Highlight the appropriate 6-digit code. Scroll down to "License Type" and highlight the appropriate license (e.g., Electrical Contractor). Finally, click the "Start Search" button at the bottom of the page. This will give the number of DBE firms available to do work in that NAICS Work Category, followed by a list of individual firms.

4. To narrow it down to the agency's Market Area, print out the list and cross off any firms that are not located within the Market Area counties. This will result in a list of DBE firms that are in the agency's Market Area. The number of firms remaining on the list becomes the numerator for that Work Category.

5. Repeat this process for each Work Category.

<u>To determine the total number of firms (for the *denominator* in the calculation)</u>**:**

1. For each NAICS Work Category, determine the total number of firms in the agency's Market Area that are willing to perform that type of work. To do this, go to the following web site:
http://censtats.census.gov/cbpnaic/cbpnaic.shtml

2. At the top of the page, select "California" and click on the "Go" button.

3. On the next page, use the drop-down menu to select one of the counties in the agency's Market Area, and click the "Select" button. The "Industry Codes" listed are the same as the NAICS codes. For each 2-digit category that is being used, click on the "Detail" button. This will bring up a list of all of the 6-digit Work Category codes contained within that category.

4. For each 6-digit Work Category to be used, click the "Detail" button to get a county-by-county list of the total number of establishments. Add the numbers for each county in the Market Area to get the total number of firms for this type of work, which becomes the denominator for that Work Category.

5. Repeat this process for each Work Category.

After completing the above tasks, make a table showing the following information for each NAICS Work Category:

A. Number of DBE Firms (numerator)
B. Number of Total Firms (denominator)
C. Percentage of total contract funding in the NAICS Work Category (Weight).

Use this information as shown in the example that follows.

AADPL Calculation Example:

An agency has $200,000 in Total Project Funding (both federal and local/state $), broken down into the following Work Categories:

Contract #1 – <u>Main Street Re-paving</u>: ($100,000 contract)
   (NAICS Code) 237310 - Highway and Street Construction = $80,000 = 40% Funding
                   238210 - Electrical Work   = $20,000 = 10% Funding
Contract #2 – <u>4th Street Design</u>: ($100,000 contract)
                   541330 - Civil Engineering Services   = $100,000 = 50% Funding

In order to determine the AADPL base figure, first compute the AADPL formula for each Work Category:

$$\text{AADPL (per Work Category)} = \left[\sum \frac{No.\,of\ DBEs\ in\ a\ Work\ Category}{No.\,of\ All\ Firms\ in\ same\ Work\ Category} \times Weight \right] \times 100$$

Each Work Category AADPL is then multiplied by its percentage (Weight) of the total work to be performed. The resulting numbers are then added up to obtain the overall AADPL Base Figure:

AADPL (Base Figure) =

$$\left[\frac{\#\,of\ DBEs\ in\ 237310}{\#\,of\ all\ firms\ in\ 237310} \times 0.4 + \frac{\#\,of\ DBEs\ in\ 238210}{\#\,of\ all\ firms\ in\ 238210} \times 0.1 + \frac{\#\,of\ DBEs\ in\ 541330}{\#\,of\ all\ firms\ in\ 541330} \times 0.5 \right] \times 100$$

Race Conscious Portion of AADPL (Using UDBEs):

To obtain the **RC AADPL**, use the same method shown above, except substitute <u>UDBEs</u> for DBEs in the formula.

To get the number of <u>UDBE</u> firms (UDBE firms = male-owned UDBE firms + all female-owned firms), eliminate all firms on the DBE lists from the CUCP database that are <u>not</u> designated as <u>either</u> female-owned or male-owned with the UDBE-designated ethnicities (see definitions above).

As before, make a table showing the number of UDBE firms, number of total firms, and Work Category Weights. Insert these as appropriate in the formula below:

$$\text{RC AADPL} = \left[\sum \frac{No.\,of\ UDBEs\ in\ a\ Work\ Category}{No.\,of\ All\ Firms\ in\ same\ Work\ Category} \times Weight \right] \times 100$$

Race Neutral Portion of AADPL:

The Race Neutral portion of the AADPL is the overall AADPL minus the Race Conscious portion.

RN AADPL = AADPL – RC AADPL

Entering Information onto Exhibit 9-B:

After adjusting the AADPL and RC/RN breakdowns determined above for other factors as needed (see ****Important Note**), enter the adjusted AADPL figure, as well as the adjusted Race Conscious and Race Neutral AADPLs, onto Exhibit 9-B.